

The Case of the Missing Resources

Applicant's Name: Arnold Ransom

Applicant's Son: Fred Ransom

Fred Ransom has applied **May 8, 2009** for Nursing Facility coverage on behalf of his father, Arnold. During the interview, Fred explained to the EES worker that his father was diagnosed with cancer in **March of 2008**. Up until that time, Arnold had been healthy and actively farming in partnership with Fred's oldest son, Zeb. Arnold did fairly well with treatment and was able to live at home for about 10 months. In **December of 2008**, Arnold's health deteriorated and he was placed in a nursing facility in **January of 2009**.

During the course of the interview, the topic of discussion turned to Arnold's resources. Fred explained that in **February of 2005** Arnold's health began to prohibit him farming. Although Arnold owned all of the land and all of the equipment, Zeb had been farming with his grandfather for several years with the intention that Zeb would take over the business when Arnold was no longer able to participate. In **March of 2005**, Arnold signed the farming operation, including the land and all the equipment to Zeb. The equity value of the business at that time was \$400,000.

When Arnold entered the nursing facility in **January 2009**, the prognosis was not good and the doctor indicated that it was unlikely Arnold would live beyond 30 days. After much discussion, Fred and Arnold decided that they needed to take care of Arnold's remaining assets while he was still able to make decisions. On **January 7, 2009**, the following action was taken:

- ▶ Fred's name was added to the deed to the house in town where Arnold has lived his entire life. The house was appraised at \$60,000.
- ▶ 5 CD's worth \$10,000 each were signed over to Fred and each of Arnold's 4 grandchildren.
- ▶ Fred's name was added to Arnold's checking account with signature rights only so that Fred could pay Arnold's bills even after his death. The balance in the account is \$500.
- ▶ Fred's name was added to Arnold's savings account with right to survivorship. At the time, there was a balance of \$21,000 in the account. At Arnold's request, \$20,000 was deposited into a CD for Fred (the son). The remaining \$1,000 is still in the account.
- ▶ Fred sold Arnold's 2003 Cadillac with an equity value of \$16,500 for \$16,000. Proceeds were used to pay the nursing facility.

Fred says that Arnold has now out-lived anyone's expectations. His resources have nearly been depleted and his income is not quite enough to pay for all of the nursing facility costs. Arnold intends to return home if he recovers enough to be able to care for himself. The doctor is doubtful that he will be able to, but since Arnold has proven the doctors wrong so far, he may just end up returning home at some point. In the meantime, the family needs assistance with nursing facility expenses.

Working as a table, evaluate Arnold's situation. Has he made any inappropriate transfers of property? If so, note the date(s) and amount(s) and determine what, if any transfer of property penalty would be applied. (REMEMBER TO LOOK AT THE FARMING OPERATION) Document your findings on the next page.

NOTE: Arnold Ransom did not request prior medical on his application

RANSOM CASE FINDINGS

Resource Transferred	Date of Transfer	Value of Resource	Penalty? Y or N